

TFIC Highway Efforts

Presentation to IAPA
Convention

By Linda Wheeler

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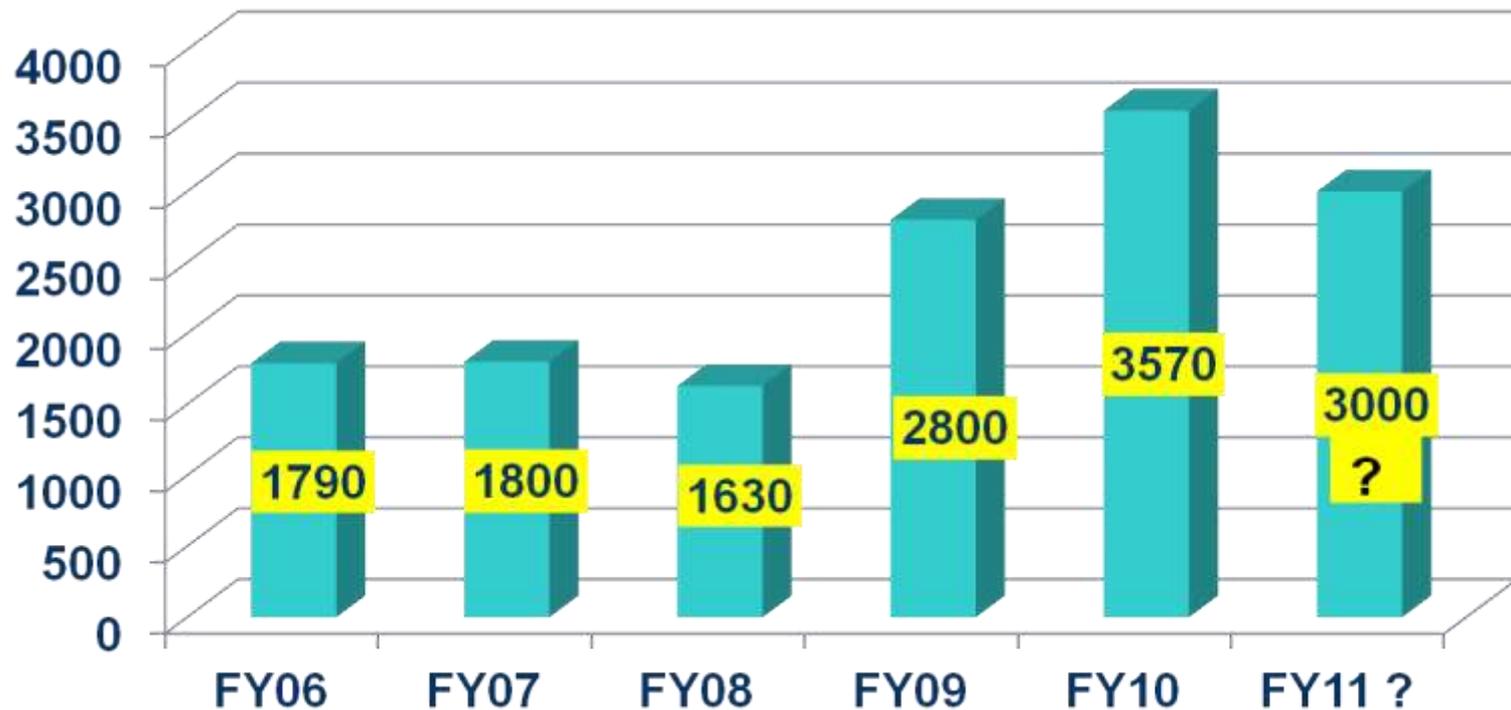


The State Outlook



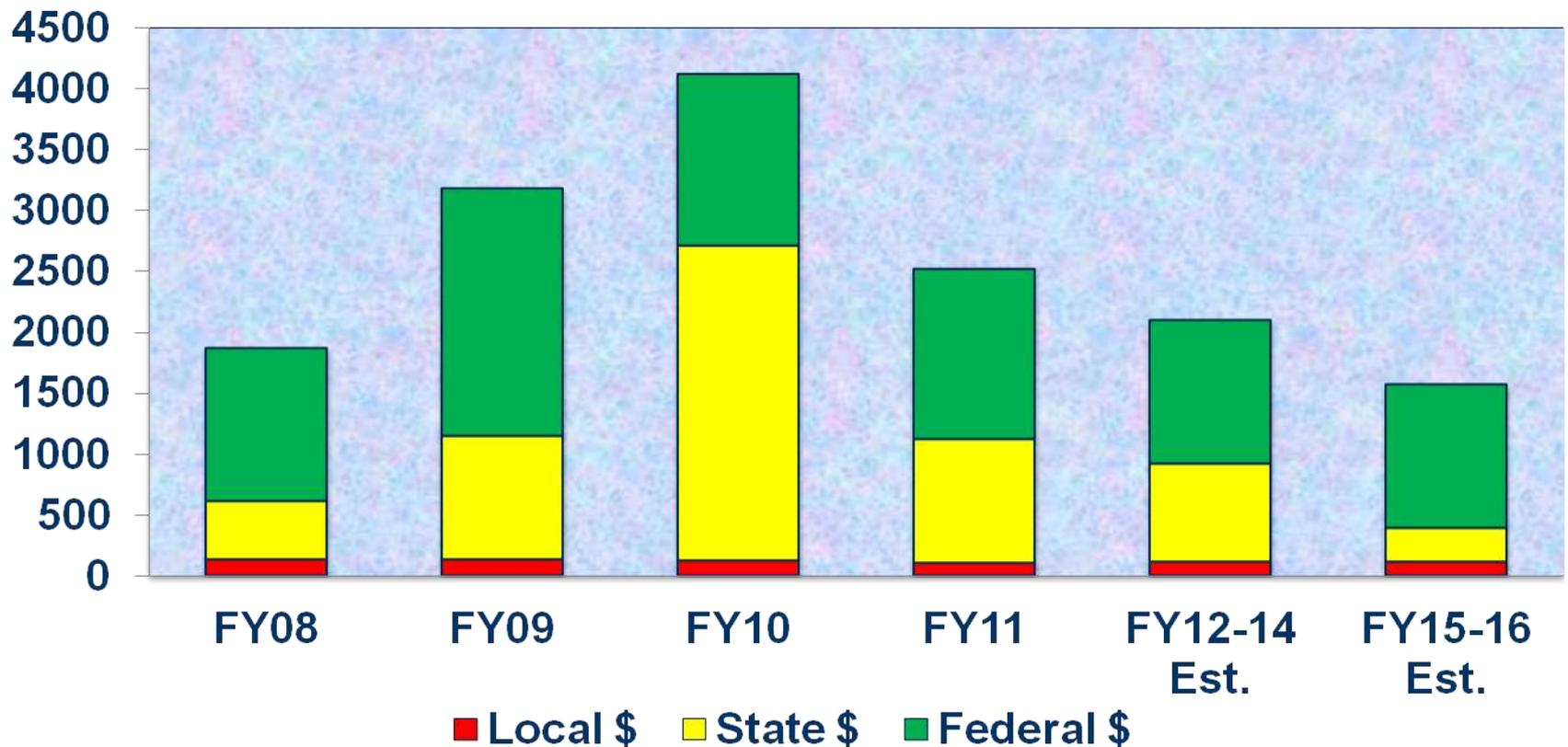
IDOT Projects Awarded At Record High

(In \$ Million)



Mixed Outlook For Future

(In \$ Million)



Why Does The Program Drop?

- All Program Increase Funded Through Bonds
- \$330 M/Yr. In Additional User Fees – None To Road Fund
- New Diversions Being Proposed

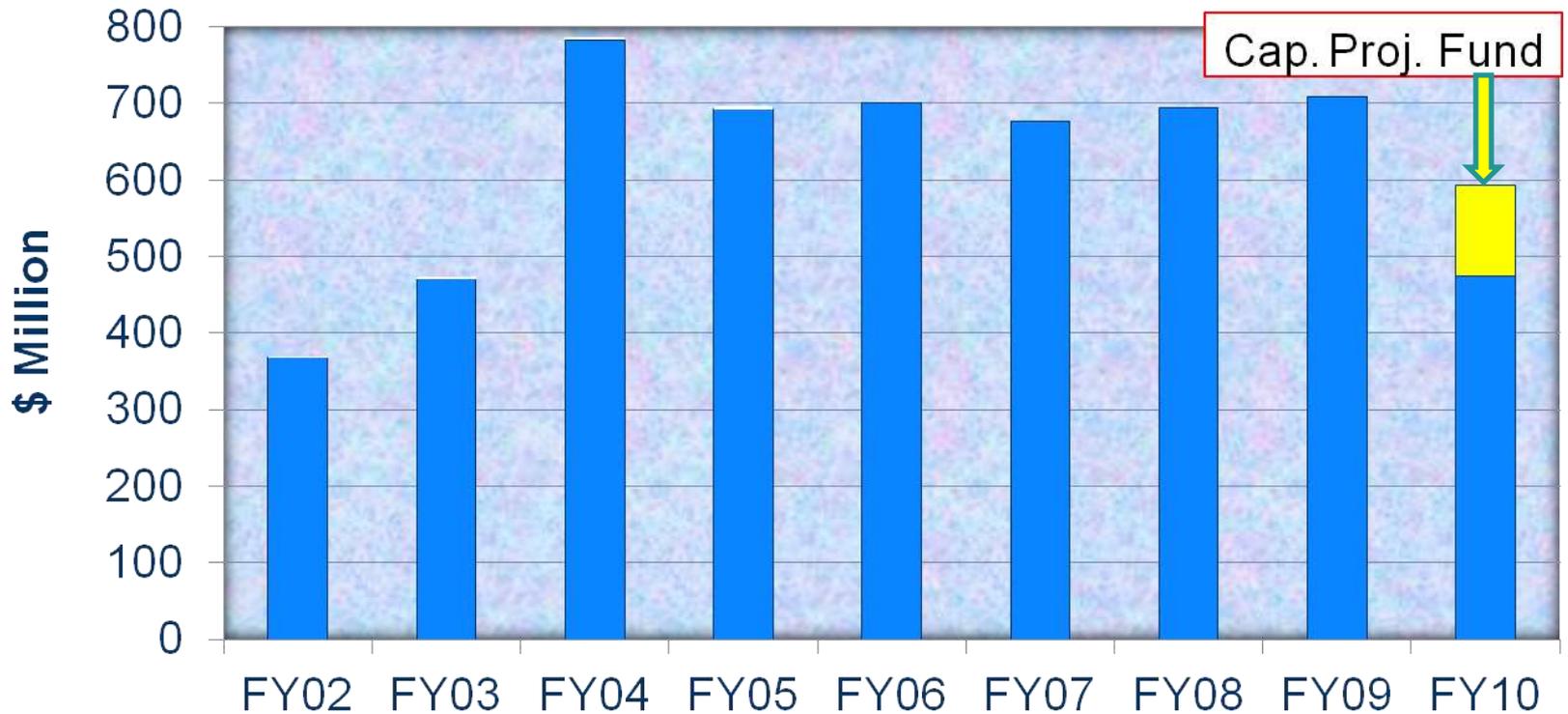
Bonds: Boom Or Bust Programs

- The Boom Years!
 - Total Bonds Appropriated For Highway Program: \$5,054 M
 - Jobs Now Bonds: Five-Year Program, Ending With FY14
- The Bust Years?
 - FY15 And Beyond: Bonds Gone; No New State Revenues
 - Highway Program Plummet?

Highway User Fee Increases Enacted In 2009

- Increased User Fees Generate Est. \$332 M/Yr
 - Title/Transfer Fee: \$114 M
 - Driver's License: \$37 M
 - License Plate: \$181 M
- All Increased Revenue To Capital Projects Fund
- Capital Projects Fund Used For:
 - Reimburse GRF For Diversion Reductions
 - Capital Projects

Diversions Down, But



New Diversions Are Being Proposed

- By General Assembly Members:
 - User Fee Increases For Non-Highway Purposes
 - Existing User Fees For Non-Highway Purposes
- In Governor's Budget: \$85.5 M/Yr.
 - \$37 M For Passenger Rail
 - \$48.5 M For NE IL Transit
 - Would Remove More Than \$500 M In State Funding From IDOT 6-Yr. MYP

TFIC Efforts At State Level

- FY12-14
 - No New Diversions
 - Implement Capital Program For All Modes
- Begin Planning For FY15 & Beyond
 - Smooth The Boom/Bust Cycles
 - Restore User Fees To Road Fund
 - Provide Adequate Capital Programs For All Modes

The Federal Outlook



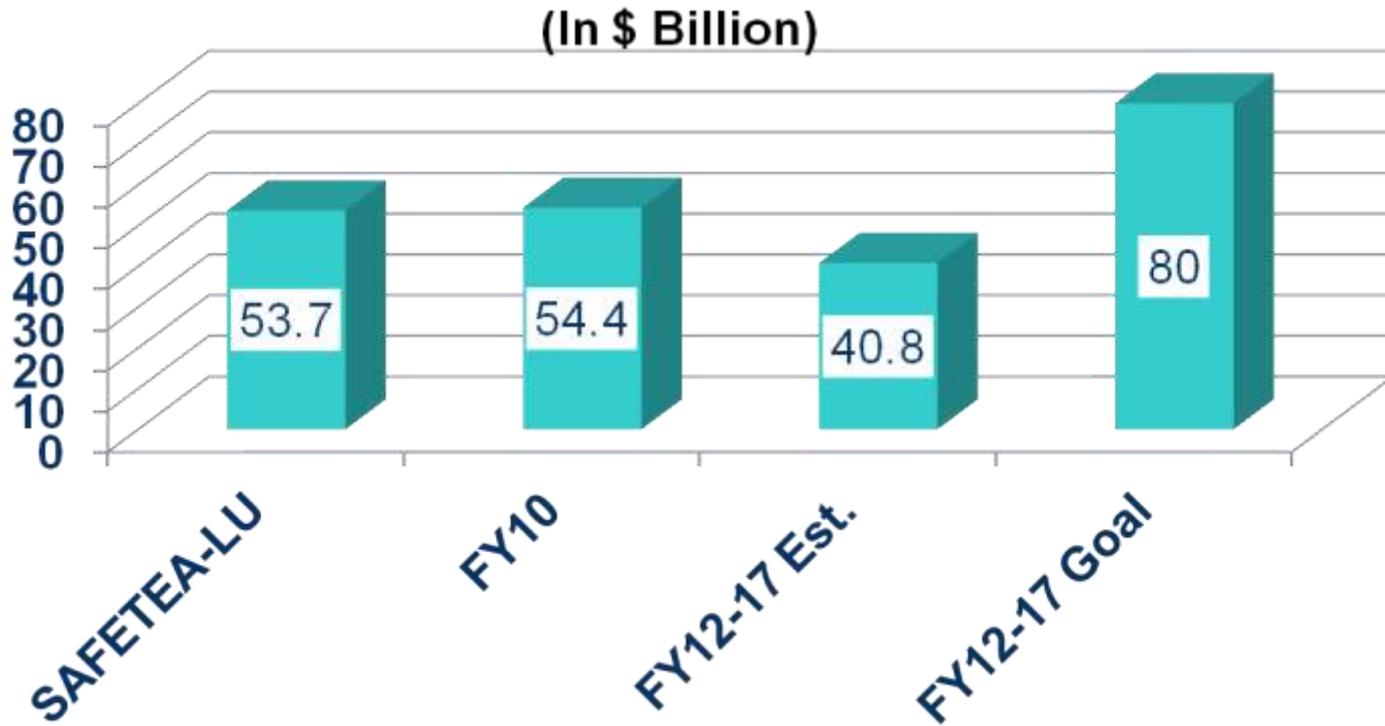
Time For A New Federal Authorization

- SAFETEA-LU Provided Federal Hwy./Transit Authorizations For FY04-09
- SAFETEA-LU Expired Sept. 30, 2009
- 7th Extension Just Enacted: Runs Through Sept. 30, 2011

Federal Funding Critical To Illinois

- Illinois Receives:
 - More Than \$500 M/Yr. In Transit Funds
 - Around \$1.3 B/Yr. In Highway Funds
- Federal Funds Comprise 57% Of IDOT's 6-Yr. Highway Program
- Federal Funds Comprise Nearly 60% Of NE IL Transit Capital Program

Average Annual Fed. Funding: Highways And Transit



Filling The Gap: User Fee Increases

- Administration: No Gas Tax Increase
- Cong. Mica: No Gas Tax Increase
- Sen. Boxer: No Gas Tax Increase
- Deficit Commission: 15 Cent Increase
- Nat'l Survey: No Gas Tax Increase*
- Indexing?

*By Rockefeller Foundation, Feb., 2011

Filling The Gap: Non-Tax Sources Being Discussed

- Concentrate On Core Programs
- Rescind “Unused Moneys”
- Eliminate Earmarks
- Streamline Project Delivery Requirements
- Use Innovative Funding
- Cut Transit

Filling \$39 B Annual Gap: Concentrate On Core Programs

Great Idea, But...

- It Does Not Generate Additional Funds

Filling \$39 B Annual Gap: Rescind “Unused Moneys”

Good Idea, But...

- Have Rescinded \$26.7 B Since SAFETEA-LU
- Had To Restore \$8.7 B Of That
- Proposed Rescission Of “Unused Earmarks” Could Generate \$700 M

Filling \$39 B Annual Gap: No Earmarks In New Bill

Popular Idea, But...

- It Does Not Generate Additional Funds
- It Raises Issues
 - How To Fund Special Projects?
 - How To Handle Congressional Priorities?
 - How To Keep Illinois From Being Donor State?

Filling \$39 B Annual Gap: Streamline Project Delivery

Great Idea, But...

- Time Saved = Money Saved
 - Each Year Saved In A Project's Delivery Should Save +/- 3% In That Project's Cost
 - Not Sufficient Savings To Cover \$ Gap
- Will New Proposed Requirements Offset Streamlining Savings?

Filling \$39 B Annual Gap: Use Innovative Funding

Great Idea, But...

- Does Not Increase Revenues
- Does Increase Borrowing
 - TIFIA: Borrow With Fed. Loans & Credit Support
 - Infrastructure Bank: Borrow From Fed. Bank
 - PPP's: Borrow From Private Sector
- Best Suited For Major Expansion Projects

Filling \$39 B Annual Gap: Gut Transit Funding

Horrible Idea Because...

- Would Generates Less Than \$10 B
- Would Worsen NE IL Congestion

In 2009:

- Ave. Delay Per Commuter = 70 Hours
- Overall Cost = \$9.5 B
- Truck Cost = \$3.3 B
- Without Transit, Overall Delay Hours Rise 25%

Source: TTI Study, Jan. 2011

TFIC: We Need A New Bill Now!

- It Must Be Multi-Year
 - Can't Make Business Decisions Regarding Hiring, Equipment, Training, Etc. Without Multi-Year Certainty
- It Must Be Multi-Modal
 - Can't Achieve Overall Efficiencies By Neglecting Parts Of Transportation Network
- It Must Have Adequate User Fee Funding
 - Can't Reach Funding Goal Without User Fee Increase